



OFFICE OF THE HON PETER DUTTON MP
THE MINISTER FOR REVENUE AND ASSISTANT TREASURER

26 OCT 2006

Mr G MacAulay

Dear Mr MacAulay

Thank you for your email of 29 August 2006 and various earlier emails to the Minister for Revenue and Assistant Treasurer concerning Westpoint. The Minister has asked me to respond on his behalf. I apologise for the delay in replying to you.

In your letter you raise a number of questions. I believe Minister Dutton's earlier replies have indicated the Government's firm intent to see those people associated with Westpoint who deliberately misled investors brought to account.

The Government's view is that it is highly likely that significant breaches of the law have been committed by some of the individuals responsible for operating and promoting the Westpoint schemes, and that all efforts should be made to bring these people to justice. As you will be aware, the Australian Securities and Investments Commission (ASIC) is dealing with the specific regulatory questions on this issue.

ASIC is continuing its investigations into the conduct of a number of parties involved in the operation and promotion of the Westpoint schemes. It is currently questioning the founder of Westpoint, Mr Norman Carey, in the Federal Court in an effort to trace the location of the funds that were raised by the various Westpoint schemes. One of the main purposes of ASIC's efforts in this and other similar cases is to identify assets that may rightfully belong to creditors.


ASIC will continue to investigate all aspects of the collapse of the Westpoint group of companies. Heavy penalties, both civil and criminal, apply to persons who may be in breach of their obligations under the *Corporations Act 2001*. Anyone found to be in breach of the law will be referred by ASIC to the Director of Public Prosecutions for further action.

The Government fully supports ASIC's efforts to assist Westpoint investors and to investigate any potential breaches of the law. In its recent budget the Government has ensured that ASIC has sufficient funding to carry out its responsibilities through various measures, including the allocation of additional funding of \$30 million per annum for the investigation and litigation of exceptional matters of significant public interest such as Westpoint.

The Government is closely monitoring legal developments in the Westpoint case.

Thank you for bringing this matter to my attention. I trust this information will be of assistance to you.

Yours sincerely



Joanne Hutchinson
Adviser